

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Sections  
5 1A-4, 17-1, and 34-43 as follows:

6 (105 ILCS 5/1A-4) (from Ch. 122, par. 1A-4)

7 Sec. 1A-4. Powers and duties of the Board.

8 A. (Blank).

9 B. The Board shall determine the qualifications of and  
10 appoint a chief education officer, to be known as the State  
11 Superintendent of Education, who may be proposed by the  
12 Governor and who shall serve at the pleasure of the Board and  
13 pursuant to a performance-based contract linked to statewide  
14 student performance and academic improvement within Illinois  
15 schools. Upon expiration or buyout of the contract of the State  
16 Superintendent of Education in office on the effective date of  
17 this amendatory Act of the 93rd General Assembly, a State  
18 Superintendent of Education shall be appointed by a State Board  
19 of Education that includes the 7 new Board members who were  
20 appointed to fill seats of members whose terms were terminated  
21 on the effective date of this amendatory Act of the 93rd  
22 General Assembly. Thereafter, a State Superintendent of  
23 Education must, at a minimum, be appointed at the beginning of

1 each term of a Governor after that Governor has made  
2 appointments to the Board. A performance-based contract issued  
3 for the employment of a State Superintendent of Education  
4 entered into on or after the effective date of this amendatory  
5 Act of the 93rd General Assembly must expire no later than  
6 February 1, 2007, and subsequent contracts must expire no later  
7 than February 1 each 4 years thereafter. No contract shall be  
8 extended or renewed beyond February 1, 2007 and February 1 each  
9 4 years thereafter, but a State Superintendent of Education  
10 shall serve until his or her successor is appointed. Each  
11 contract entered into on or before January 8, 2007 with a State  
12 Superintendent of Education must provide that the State Board  
13 of Education may terminate the contract for cause, and the  
14 State Board of Education shall not thereafter be liable for  
15 further payments under the contract. With regard to this  
16 amendatory Act of the 93rd General Assembly, it is the intent  
17 of the General Assembly that, beginning with the Governor who  
18 takes office on the second Monday of January, 2007, a State  
19 Superintendent of Education be appointed at the beginning of  
20 each term of a Governor after that Governor has made  
21 appointments to the Board. The State Superintendent of  
22 Education shall not serve as a member of the State Board of  
23 Education. The Board shall set the compensation of the State  
24 Superintendent of Education who shall serve as the Board's  
25 chief executive officer. The Board shall also establish the  
26 duties, powers and responsibilities of the State

1 Superintendent, which shall be included in the State  
2 Superintendent's performance-based contract along with the  
3 goals and indicators of student performance and academic  
4 improvement used to measure the performance and effectiveness  
5 of the State Superintendent. The State Board of Education may  
6 delegate to the State Superintendent of Education the authority  
7 to act on the Board's behalf, provided such delegation is made  
8 pursuant to adopted board policy or the powers delegated are  
9 ministerial in nature. The State Board may not delegate  
10 authority under this Section to the State Superintendent to (1)  
11 nonrecognize school districts, (2) withhold State payments as a  
12 penalty, or (3) make final decisions under the contested case  
13 provisions of the Illinois Administrative Procedure Act unless  
14 otherwise provided by law.

15 C. The powers and duties of the State Board of Education  
16 shall encompass all duties delegated to the Office of  
17 Superintendent of Public Instruction on January 12, 1975,  
18 except as the law providing for such powers and duties is  
19 thereafter amended, and such other powers and duties as the  
20 General Assembly shall designate. The Board shall be  
21 responsible for the educational policies and guidelines for  
22 public schools, pre-school through grade 12 and Vocational  
23 Education in the State of Illinois. The Board shall analyze the  
24 present and future aims, needs, and requirements of education  
25 in the State of Illinois and recommend to the General Assembly  
26 the powers which should be exercised by the Board. The Board

1 shall recommend the passage and the legislation necessary to  
2 determine the appropriate relationship between the Board and  
3 local boards of education and the various State agencies and  
4 shall recommend desirable modifications in the laws which  
5 affect schools.

6 D. Two members of the Board shall be appointed by the  
7 chairperson to serve on a standing joint Education Committee, 2  
8 others shall be appointed from the Board of Higher Education, 2  
9 others shall be appointed by the chairperson of the Illinois  
10 Community College Board, and 2 others shall be appointed by the  
11 chairperson of the Human Resource Investment Council. The  
12 Committee shall be responsible for making recommendations  
13 concerning the submission of any workforce development plan or  
14 workforce training program required by federal law or under any  
15 block grant authority. The Committee will be responsible for  
16 developing policy on matters of mutual concern to elementary,  
17 secondary and higher education such as Occupational and Career  
18 Education, Teacher Preparation and Certification, Educational  
19 Finance, Articulation between Elementary, Secondary and Higher  
20 Education and Research and Planning. The joint Education  
21 Committee shall meet at least quarterly and submit an annual  
22 report of its findings, conclusions, and recommendations to the  
23 State Board of Education, the Board of Higher Education, the  
24 Illinois Community College Board, the Human Resource  
25 Investment Council, the Governor, and the General Assembly. All  
26 meetings of this Committee shall be official meetings for

1 reimbursement under this Act.

2 E. Five members of the Board shall constitute a quorum. A  
3 majority vote of the members appointed, confirmed and serving  
4 on the Board is required to approve any action, except that the  
5 7 new Board members who were appointed to fill seats of members  
6 whose terms were terminated on the effective date of this  
7 amendatory act of the 93rd General Assembly may vote to approve  
8 actions when appointed and serving.

9 The Board shall prepare and submit to the General Assembly  
10 and the Governor on or before January 14, 1976 and annually  
11 thereafter a report or reports of its findings and  
12 recommendations. Such annual report shall contain a separate  
13 section which provides a critique and analysis of the status of  
14 education in Illinois and which identifies its specific  
15 problems and recommends express solutions therefor. Such  
16 annual report also shall contain the following information for  
17 the preceding year ending on June 30: each act or omission of a  
18 school district of which the State Board of Education has  
19 knowledge as a consequence of scheduled, approved visits and  
20 which constituted a failure by the district to comply with  
21 applicable State or federal laws or regulations relating to  
22 public education, the name of such district, the date or dates  
23 on which the State Board of Education notified the school  
24 district of such act or omission, and what action, if any, the  
25 school district took with respect thereto after being notified  
26 thereof by the State Board of Education. The report shall also

1 include the statewide high school dropout rate by grade level,  
2 sex and race and the annual student dropout rate of and the  
3 number of students who graduate from, transfer from or  
4 otherwise leave bilingual programs. The report shall also  
5 include the total expenditures made by school districts on  
6 special education services, including a breakdown of State and  
7 federally reimbursed expenditures and non-reimbursed  
8 expenditures as reported by school districts under the  
9 requirements of Sections 17-1 and 34-43 of this Code. The  
10 Auditor General shall annually perform a compliance audit of  
11 the State Board of Education's performance of the reporting  
12 duty imposed by this amendatory Act of 1986. A regular system  
13 of communication with other directly related State agencies  
14 shall be implemented.

15 The requirement for reporting to the General Assembly shall  
16 be satisfied by filing copies of the report with the Speaker,  
17 the Minority Leader and the Clerk of the House of  
18 Representatives and the President, the Minority Leader and the  
19 Secretary of the Senate and the Legislative Council, as  
20 required by Section 3.1 of the General Assembly Organization  
21 Act, and filing such additional copies with the State  
22 Government Report Distribution Center for the General Assembly  
23 as is required under paragraph (t) of Section 7 of the State  
24 Library Act.

25 F. Upon appointment of the 7 new Board members who were  
26 appointed to fill seats of members whose terms were terminated

1 on the effective date of this amendatory Act of the 93rd  
2 General Assembly, the Board shall review all of its current  
3 rules in an effort to streamline procedures, improve  
4 efficiency, and eliminate unnecessary forms and paperwork.

5 (Source: P.A. 93-1036, eff. 9-14-04.)

6 (105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

7 Sec. 17-1. Annual Budget. The board of education of each  
8 school district under 500,000 inhabitants shall, within or  
9 before the first quarter of each fiscal year, adopt and file  
10 with the State Board of Education an annual balanced budget  
11 which it deems necessary to defray all necessary expenses and  
12 liabilities of the district, and in such annual budget shall  
13 specify the objects and purposes of each item and amount needed  
14 for each object or purpose.

15 The budget shall be entered upon a School District Budget  
16 form prepared and provided by the State Board of Education and  
17 therein shall contain a statement of the cash on hand at the  
18 beginning of the fiscal year, an estimate of the cash expected  
19 to be received during such fiscal year from all sources, an  
20 estimate of the expenditures contemplated for such fiscal year,  
21 and a statement of the estimated cash expected to be on hand at  
22 the end of such year. The estimate of taxes to be received may  
23 be based upon the amount of actual cash receipts that may  
24 reasonably be expected by the district during such fiscal year,  
25 estimated from the experience of the district in prior years

1 and with due regard for other circumstances that may  
2 substantially affect such receipts. Nothing in this Section  
3 shall be construed as requiring any district to change or  
4 preventing any district from changing from a cash basis of  
5 financing to a surplus or deficit basis of financing; or as  
6 requiring any district to change or preventing any district  
7 from changing its system of accounting.

8 The board of education shall file as an attachment to its  
9 annual budget a report, in a form as determined by the State  
10 Board of Education, that contains the total amount spent on  
11 special education services, including the expenditures  
12 reimbursed by the State and the expenditures not reimbursed by  
13 the State. This report must be filed with the State Board of  
14 Education.

15 To the extent that a school district's budget is not  
16 balanced, the district shall also adopt and file with the State  
17 Board of Education a deficit reduction plan to balance the  
18 district's budget within 3 years. The deficit reduction plan  
19 must be filed at the same time as the budget, but the State  
20 Superintendent of Education may extend this deadline if the  
21 situation warrants.

22 The board of education of each district shall fix a fiscal  
23 year therefor. If the beginning of the fiscal year of a  
24 district is subsequent to the time that the tax levy due to be  
25 made in such fiscal year shall be made, then such annual budget  
26 shall be adopted prior to the time such tax levy shall be made.

1 The failure by a board of education of any district to adopt an  
2 annual budget, or to comply in any respect with the provisions  
3 of this Section, shall not affect the validity of any tax levy  
4 of the district otherwise in conformity with the law. With  
5 respect to taxes levied either before, on, or after the  
6 effective date of this amendatory Act of the 91st General  
7 Assembly, (i) a tax levy is made for the fiscal year in which  
8 the levy is due to be made regardless of which fiscal year the  
9 proceeds of the levy are expended or are intended to be  
10 expended, and (ii) except as otherwise provided by law, a board  
11 of education's adoption of an annual budget in conformity with  
12 this Section is not a prerequisite to the adoption of a valid  
13 tax levy and is not a limit on the amount of the levy.

14 Such budget shall be prepared in tentative form by some  
15 person or persons designated by the board, and in such  
16 tentative form shall be made conveniently available to public  
17 inspection for at least 30 days prior to final action thereon.  
18 At least 1 public hearing shall be held as to such budget prior  
19 to final action thereon. Notice of availability for public  
20 inspection and of such public hearing shall be given by  
21 publication in a newspaper published in such district, at least  
22 30 days prior to the time of such hearing. If there is no  
23 newspaper published in such district, notice of such public  
24 hearing shall be given by posting notices thereof in 5 of the  
25 most public places in such district. It shall be the duty of  
26 the secretary of such board to make such tentative budget

1 available to public inspection, and to arrange for such public  
2 hearing. The board may from time to time make transfers between  
3 the various items in any fund not exceeding in the aggregate  
4 10% of the total of such fund as set forth in the budget. The  
5 board may from time to time amend such budget by the same  
6 procedure as is herein provided for its original adoption.

7 Beginning July 1, 1976, the board of education, or regional  
8 superintendent, or governing board responsible for the  
9 administration of a joint agreement shall, by September 1 of  
10 each fiscal year thereafter, adopt an annual budget for the  
11 joint agreement in the same manner and subject to the same  
12 requirements as are provided in this Section.

13 The State Board of Education shall exercise powers and  
14 duties relating to budgets as provided in Section 2-3.27 of  
15 this Code and shall require school districts to submit their  
16 annual budgets, deficit reduction plans, and other financial  
17 information, including revenue and expenditure reports and  
18 borrowing and interfund transfer plans, in such form and within  
19 the timelines designated by the State Board of Education.

20 By fiscal year 1982 all school districts shall use the  
21 Program Budget Accounting System.

22 In the case of a school district receiving emergency State  
23 financial assistance under Article 1B, the school board shall  
24 also be subject to the requirements established under Article  
25 1B with respect to the annual budget.

26 (Source: P.A. 94-234, eff. 7-1-06.)

1 (105 ILCS 5/34-43) (from Ch. 122, par. 34-43)

2 Sec. 34-43. Adoption of budget and resolution. The board  
3 shall, within the first 60 days of each fiscal year, adopt a  
4 budget and pass a resolution to be termed the "annual school  
5 budget", hereinafter called the "budget", in and by which the  
6 board, subject to the limitations hereinafter contained, shall  
7 appropriate such sums of money as may be required to defray all  
8 of its estimated expenses and liabilities to be paid or  
9 incurred during the fiscal year.

10 The budget shall be balanced in each year within standards  
11 established by the board, consistent with the provisions of  
12 this Article.

13 The budget may provide for the accumulation of funds for  
14 educational purposes as the board may direct for capital  
15 improvements or in order to achieve a balanced budget in a  
16 future year within the 4-year period of the board's financial  
17 plan to begin in that budget year. The budget may also provide  
18 for a reserve in the educational fund to ensure uninterrupted  
19 services in the event of unfavorable budget variances.

20 The changes made to this Section by this amendatory Act of  
21 1996 apply to budgets and amended and supplemental budgets for  
22 fiscal years beginning in 1995 and subsequent years.

23 The board shall file as an attachment to its annual budget  
24 a report, in a form as determined by the State Board of  
25 Education, that contains the total amount spent on special

1 education services, including the expenditures reimbursed by  
2 the State and the expenditures not reimbursed by the State.  
3 This report must be filed with the State Board of Education.  
4 (Source: P.A. 89-636, eff. 8-9-96.)

5 Section 90. The State Mandates Act is amended by adding  
6 Section 8.31 as follows:

7 (30 ILCS 805/8.31 new)

8 Sec. 8.31. Exempt mandate. Notwithstanding Sections 6 and 8  
9 of this Act, no reimbursement by the State is required for the  
10 implementation of any mandate created by this amendatory Act of  
11 the 95th General Assembly.